

Notice of Intent to Certify Sole Source

To: Interested Parties

From: David C. Johnson

CC: ITS Project Number 46559

Date: August 24, 2021

Re: Sole Source Certification Number 4405 to provide NeuraLog Software Licenses and Maintenance for the Mississippi Department of Environmental Quality (MDEQ)

Contact Name: Kimberly Parker

Contact Phone Number: 601-432-8049

Contact E-mail Address: kimberly.parker@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4405 for the Mississippi Department of Environmental Quality (MDEQ), please be advised that ITS intends to award NeuraLog, Inc. as the sole source provider of NeuraLog Software Licenses and Maintenance through September 30, 2024 in an amount not to exceed \$22,600.00. Please be advised that ITS will determine if additional licenses and maintenance are within scope during the certification period and may increase the spending authority accordingly. Should NeuraLog, Inc. change their name during this certification period, then ITS will determine if a recertification is necessary. For an explanation regarding Mississippi state law, policy and procedures for sole source procurements, refer to Attachment C: Sole Source Procurement Overview.

Sole Source Criteria

1. The product or services being purchased must perform a function for which no other product or source of services exist:

MDEQ has used the NeuraLog software for 23 years and wishes to continue using their existing system with the purchase of additional NeuraLog software licenses and maintenance for an additional three years.

NeuraLog's suite of scientific software captures and analyzes subsurface geophysical data derived from borehole drilling and logging activity. MDEQ requires their scanned data to be captured from the borehole log reports. The suite consists of NeuraLog, NeuraMap, NeuraSection, NeuraView, and NeuraDesktop. The customer's sole source certification request is included as Attachment A.

2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services:

The scanning, digitizing, organizing, and storing of geologic data is captured on paper. These paper logs are usually 4 inches wide and several meters in length. The NeuraScanner along with the NeuraLog software works with this paper format to provide continuous scanning. The results of the scanning help geologists delineate and protect the state's 26 drinking water aquifers. The customer's sole source certification request is included as Attachment A.

3. The product or services must be available only from the manufacturer and not through resellers who could submit competitive pricing for the product or services:

Neuralog, Inc. is the developer and sole provider of NeuraLog hardware and software geoscience products in the USA. Neuralog Inc. is the direct seller of its products and maintenance services with no resellers, distributors, or other sales outlets in North America. The vendor's sole source certification letter is included as Attachment B.

Schedule

Task	Date
First Advertisement Date	08/24/21
Second Advertisement Date	08/31/21
Response Deadline From Objectors	09/08/21 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 09/09/21

Project Details

Geologists at MDEQ must scan results from historical borehole log reports for the delineation and protection of fresh drinking water aquifers. The NeuraLog suite of products has been used successfully in the agency for 23 years, but the software maintenance has not been purchased consistently due to budget constraints. The software works with the NeuraScanner manufactured by Neuralog, Inc., already purchased and in-house at MDEQ. This certification does not cover the maintenance of the NeuraScanner. MDEQ has spent to-date a total of \$70,658.96 and wishes to continue using the NeuraLog software with the purchase of two additional software licenses and maintenance through September 30, 2024.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the NeuraLog software licenses and maintenance should not be certified as a sole source should provide information in the following format for the state to use in determining whether or not to proceed with awarding the Sole Source contract to Neuralog, Inc.

1.1 Interested Party Information

1.1.1 Contact Name, Phone Number and email address

1.1.2 Company Website URL, if applicable

1.2 Objection to Sole Source Certification

1.2.1 Interested parties must present specific objections to the Sole Source certification using the criteria listed above.

1.2.2 A statement regarding the Interested Party's capabilities as related to this Sole Source Certification Request.

1.3 Comments will be accepted at any time prior to Wednesday, September 8, 2021, at 3:00 p.m. (Central Time) to Kimberly Parker at kimberly.parker@its.ms.gov or at the Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Responses may be delivered by hand, via regular mail, overnight delivery, e-mail or by fax. Fax number is (601) 713-6380. ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF RESPONSES. It is solely the responsibility of the Interested Parties that responses reach ITS on time. Interested Parties may contact Kimberly Parker to verify the receipt of their Responses. Responses received after the deadline will be rejected.

1.4 Interested Party responses should include the following information:

<p>SUBMITTED IN RESPONSE TO Sole Source Certification No. 4405-46559 Accepted until September 8, 2021 @ 3:00 p.m. ATTENTION: Kimberly Parker</p>
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If you have any questions concerning the information above or if we can be of further assistance, please contact Kimberly Parker at 601-432-8049 or via email at kimberly.parker@its.ms.gov.

Attachment A: Customer Sole Source Certification Request
Attachment B: Vendor Correspondence
Attachment C: Sole Source Procurement Overview



3771 Eastwood Drive
Jackson, Mississippi 39211
Phone 601-432-8000 Fax 601-713-6380
www.its.ms.gov

Sole Source Certification Request

Project Title:		MDEQ NeuraLog & NeuraSection Software			
Contact Information					
Agency/Institution:		Mississippi Department of Environmental Quality		Contact Person:	Chester Willis
Mailing Address:		515 Amite Street, Jackson, Ms. 39225		Phone Number:	(601)961-5285
				Email Address:	cwillis@mdeq.ms.gov
MAGIC Customer #: (Only required from state agencies.)		7000000151		Division/Dept:	
Project Summary					
Description of Project: (Include details of original acquisition if applicable)		Geologists in MDEQ must scan results from historical borehole log reports to delineate and protect fresh drinking water aquifers. The Neuralog suite of products has been used successfully within the agency for 23 years. The software works with the hardware (scanner) manufactured by Neuralog which has already been purchased and located in-house. MDEQ is not aware of any other software that has the capability to scan data directly from the borehole log reports.			
ITS Acquisition Approval (CP-1) should be effective through this date:					
Cost Estimates (Maximum allowed duration is 3 years per request/project)					
Fiscal Year		Initial Costs	Ongoing Costs	Time Constraints	
FY	2022	\$12,600.00		Item Needed by:	9/30/21
FY	2023		\$5,000.00	Funds Expire:	9/30/21
FY	2024		\$5,000.00	Other Important Deadline(s): (e.g. current contract/CP-1 expiration dates)	
Total Estimated Project Cost:		\$22,600.00		CP-1 20190121 expires 9/30/21	
Funding Source: 100% State Funds					
Discuss Funding: (e.g. fund number; how much of needed funding is definite; total project budget; any matching or other non-state funds)			Funding is budgeted as General Funds within the MDEQ Office of Land & Water.		
Acquisition Details					
Item or Part Number		Quantity	Description	Building Location(s)	
Neuralog Floating Package-PK-SW-LOG-FLOAT		2	Neuralog Software Network Floating License including 1 year of maintenance	700 North State Street, Jackson, Ms. 39225	
Neuralog Maintenance – MT-LOG- PC		3	Annual Maintenance for NeuraLog	700 North State Street, Jackson, Ms. 39225	
Neuralog Maintenance – MT-SECT-PC		3	Annual Maintenance for NeuraSection	700 North State Street, Jackson, Ms. 39225	
Describe Platform and Infrastructure: Where does your agency plan to house or host the requested equipment or service? What resources currently available through ITS are needed (network connectivity, cloud computing/storage, colocation, business resiliency, etc.)? <i>NOTE: For equipment or services outside of current ITS available contracts and resources, justification must be attached.</i>					
For equipment or hosting outside the State Data Center, attach justification: The floating licenses are stored on a network file server. Any number of Windows 10 PCs can fetch the licenses to perform geologic functions and interpretations. Once the license has been fetched by the user from the server, server resources are no longer engaged. We are using a small Windows 2012 Server for this function that is used in a similar capacity for other software.					
Sole Source Certification - Certification must be renewed for each revision or continuation of previous Sole Source Approvals.					
Explain why these products or services are the only ones that can meet your needs: (Include specific functionality or special features that make this product or service unique.)			MDEQ has used the NeuraLog software for 23 years and wishes to continue using their existing system with the purchase of additional NeuraLog software licenses and maintenance for an additional three years.		

	Neuralog's suite of scientific software captures and analyzes subsurface geophysical data derived from borehole drilling and logging activity. MDEQ requires their scanned data to be captured from the borehole log reports. The suite consists of Neuralog, NeuraMap, NeuraSection, NeuraView, and NeuraDesktop.		
Specific business requirements to be met by the products/services: (e.g. intended use, how it helps accomplish a task, etc.)	The scanning, digitizing, organizing, and storing of geologic data is captured on paper. These paper logs are usually 4 inches wide and several meters in length. The NeuraScanner along with the Neuralog software works with this paper format to provide continuous scanning. The results of the scanning help geologists delineate and protect the state's 26 drinking water aquifers.		
Explain why this is the only entity that can provide the products/services: (Include other products/vendors researched or evaluated.)	Neuralog, Inc. is the developer and sole provider of Neuralog hardware and software geoscience products in the USA. Neuralog Inc. is the direct seller of its products and maintenance services with no resellers, distributors, or other sales outlets in North America.		
If for services or installations (not a product) the following two questions must be addressed.			
Explain below why the amount to be expended is reasonable:		Explain below what was done to obtain the best possible price:	
N/A		N/A	
Vendor's proposal submitted:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (select only one)	Vendor's Certification of Sole Source attached:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MAGIC Vendor Code(s) - Vendor must be in MAGIC before a CP-1 can be issued.			
Place Order To	Vendor Name:	Remit To	Vendor Name:
Vendor Code:	Vendor Address:	Vendor Code:	Vendor Address:
	Neuralog, Inc. 4800 Sugar Grove Blvd, Ste 200, Stafford, Texas 77477		Neuralog, Inc. 4800 Sugar Grove Blvd, Ste 200, Stafford, Texas 77477

By my signature, I certify that, to the best of my professional knowledge: the requested product or services are a sole source as outlined in the ITS Procurement Handbook, Rule 207.2:013-030 Procurement Types: Sole Source, and as outlined in Mississippi Code annotated Section 31-7-13.

Chris Wells, Executive Director

Name and Title (Agency Head/Institution President/CIO)

by Jerri Jones
Signature

08/24/2021

Date



Sole Source Justification – North America

05/17/2021

To Whom It May Concern,

Neuralog L.P., a limited partnership in the state of Texas, USA, having its registered office at:
4800 Sugar Grove Boulevard, Suite 200
Stafford, Texas 77477 USA

hereby states for the record that it is the developer and sole provider of Neuralog hardware and software geoscience products here in the USA. Neuralog L.P. is the direct seller of its products and maintenance services with no resellers, distributors or other sales outlets in North America. These products and maintenance services include, but are not limited to the following:

Products:

SW-LOG-PC	Neuralog
SW-MAP-PC	NeuraMap
SW-SECT-PC	NeuraSection
SW-VIEW-PC	NeuraView
SW-VIEW5-PC	NeuraView 5 Pack
SW-NXDT-PC	Neuralog Desktop
HW-NSCAN	NeuraScanner
HW-NSCAN-TB1	NeuraScanner Turbo
HW-NZC2-115V	NeuraLaserColor II Log Printer
HW-NJ17-115V	NeuraJet17 Log Printer
HW-300X	300x Log Printer
HW-NZC3-120V	Z3 Log Printer

Maintenance/Warranty:

MT-LOG-PC; MT-LOG-FLOAT-PC	Neuralog Maintenance (PC or Network)
MT-MAP-PC; MT-MAP-FLOAT-PC	NeuraMap Maintenance (PC or Network)
MT-SECT-PC; MT-SECT-FLOAT-PC	NeuraSection Maintenance (PC or Network)
MT-VIEW-PC; MT-VIEW-FLOAT-PC	NeuraView Maintenance (PC or Network)
MT-VIEW5-PC	NeuraView 5 Pack Maintenance (Network)
MT-NXDT	Neuralog Desktop Maintenance (PC or Network)
MT-NSCAN-G; MT-NSCAN-P	NeuraScanner Gold or Platinum Warranty
MT-NZC-P	NeuraLaserColor Log Printer Warranty
MT-NZC2-P	NeuraLaserColor II Log Printer Warranty
MT-NJ17-D	NeuraJet17 Log Printer Warranty
MT-300X-P1-WL	300x Log Printer Warranty
MT-NZC3-P	Z3 Log Printer Warranty

Sincerely,

Lori Patrick/ Director of Operations

Neuralog, LP

4800 Sugar Grove Boulevard, Suite 200

Stafford, Texas 77477 USA

The acquisition of information technology for all state agencies and institutions of higher learning (IHLs) is within the scope of the ITS law, found in Mississippi Code Section 25-53-1, et seq., and the policies and procedures established in accordance with this statute, found in the ITS Procurement Handbook posted on the ITS website (www.its.ms.gov).

ITS enabling legislation requires that information technology hardware, software and services be acquired in a manner that insures the maximum of competition among all manufacturers and suppliers of such equipment and services. Accordingly, ITS promotes full and open competition through the issuance of open specifications and the objective evaluation of Interested Party proposals to determine the lowest and best offering to meet an agency's or public university's business requirements. True competition protects the integrity and credibility of purchasing in the public sector and is essential in providing best value and adequate contractual protection for the purchasing entity. In certain limited situations, information technology acquisitions may be sole-sourced.

ITS utilizes the provisions of Public Purchasing Law for Sole Source and Emergency procurements of information technology. Mississippi Public Purchasing Law (Mississippi Code Section 31-7-13) specifies that noncompetitive items available from one source only be exempted from bid requirements (sole-sourced). ITS statute, in Section 25-53-5 (p), permits ITS to utilize provisions in Public Purchasing Law or regulations, when applicable.

Per Public Purchasing law, acquisitions must meet the following criteria to be authorized as sole source:

1. The product or services being purchased must perform a function for which no other product or source of services exists,
2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services, AND
3. The product or services must be available only from the manufacturer and NOT through resellers who could submit competitive pricing for the product or services. The vendor's correspondence regarding this criterion for this project is included as Attachment B.

By policy as documented in the ITS Procurement Handbook, acquisitions of IT services must include the following information to be authorized as sole source:

1. An explanation about why the amount to be expended is reasonable, and
2. An explanation regarding the efforts by the purchaser to obtain the best possible price.

For state agencies, approval of all technology purchases with a lifecycle cost of \$5,000 or less, including sole source purchases, has been delegated to the agency. The ITS Procurement Limits Policies for Agencies (a section in the ITS Procurement Handbook) require a minimum of two competitive written bids or proposals for technology purchases with a lifecycle cost over \$5,000 but not over \$50,000 (not over \$25,000 for projects funded by the American Recovery and Reinvestment Act). Since, for single source items, the procuring agency will be unable to obtain two written bids, ITS must certify all sole source acquisitions of information technology with a lifecycle cost greater than \$5,000.

Institutions of Higher Learning (IHLs) or public universities have been delegated the authority to certify sole source procurements up to \$250,000 lifecycle cost under the ITS Procurement Limits Policies for IHLs (a section in the ITS Procurement Handbook). For the certification of sole source procurements delegated to the CIOs at public universities, the public university must follow ITS' Sole Source Procedure, including advertisement of the intent to award as sole source. Institutions certifying a sole source purchase must ensure the criteria listed above are met and documented in writing by the institution and the Interested Party prior to certifying a product or service as sole source. Sole source documentation must be reviewed and approved by the IHL's CIO for any sole-source certification

above \$5,000. All sole source documentation should be retained in the public university's procurement file. Sole source requests above \$250,000 lifecycle cost require ITS approval.

Other than the delegations outlined above, all sole source technology procurements must be certified by ITS. The customer's Sole Source Certification Request for this project is included as Attachment A.

ITS thoroughly reviews Sole Source Certification Requests, determining if competing products and/or services exist. If so, ITS conducts a competitive procurement. If ITS' review confirms the sole source, then a Sole Source advertisement is issued, giving other Interested Parties an opportunity to identify competing products and/or services. Based upon the results of the Sole Source advertisement, ITS will either certify the request as a sole source or conduct a competitive procurement.